

Melissa E. Newman Senior Vice President Federal Policy and Regulatory Affairs 1099 New York Avenue NW Suite 250

Washington, DC 20001 202.429.3120

VIA E-MAIL and ECFS

April 15, 2013

Julie Veach (<u>Julie.Veach@fcc.gov</u>)
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: CenturyLink Broadband Adoption Program Semi-Annual Report WC Docket No. 10-110

Dear Ms. Veach:

Pursuant to the Federal Communications Commission's *Memorandum Opinion and Order* (*MO&O*) released March 18, 2011 in WC Docket No. 10-110, Appendix C, item II.E, CenturyLink is filing its Semi-Annual Report on its Broadband Adoption Program's progress.

As set forth in the MO&O, CenturyLink committed to report "on the Adoption Program's progress every six months after the start of the Adoption Program, for the next five years (*i.e.*, a total of ten reports)." This is the third report.

The Broadband Adoption Metrics chart presents a snapshot of CenturyLink's Adoption Program, as of March 31, 2013. Attachments A and B provide updates regarding CenturyLink's personnel designated for the Adoption Program and CenturyLink's outreach tactics and institutional partners, respectively.

Sincerely,

/s/ Melissa E. Newman

Enclosures

Ms. Julie Veach April 15, 2013

Page 2 of 2

Copy via email to:

Michael Steffen (<u>Michael.steffen@fcc.gov</u>)
Angela Kronenberg (<u>Angela.kronenberg@fcc.gov</u>)
Christine Kurth (<u>Christine.kurth@fcc.gov</u>)
Priscilla Delgado Argeris (<u>Priscilla.argeris@fcc.gov</u>)
Nicholas Degani (<u>Nicholas.degani@fcc.gov</u>)
Jordan Usdan (<u>Jordan.usdan@fcc.gov</u>)
Alexis Johns (Alexis.johns@fcc.gov)

Lisa Gelb (Lisa.gelb@fcc.gov)

William Dever (William.dever@fcc.gov)

BROADBAND ADOPTION METRICS

As of March 31, 2013

| Metrics to be reported semi-annually to the FCC: | Preceding 6-month Period October 1, 2012 – March 31, 2013 | Cumulative October 1, 2011 – March 31, 2013 |
|---|--|---|
| Total qualifying customers who purchased broadband under discount program, by speed tier | 13,475 | 28,971 |
| Qualifying customers who purchased up to and including 1.5M | 6,734 | 15,916 |
| Qualifying customers who purchased up to and including 5M | 1,726 | 3,550 |
| Qualifying customers who purchased speeds higher than 5M | 5,015 | 9,505 |
| Qualifying customers who purchased computers under discount program | 767 | 1,626 |
| Number of training programs and demonstrations held | 13 | 76 |
| Number of people attending training programs and demonstrations | 236 | 1,639 |
| Number of training DVDs and CDs shipped | Not applicable/ CDs and DVDs were not used | Not applicable |
| Number of enrolled customers who continue to subscribe to CenturyLink broadband service following expiration of their participation in the Adoption Program | 896 (of 1530) | 896 (of 1530) |
| Total broadband adoption in the combined territory (residential) | 22.8% | 22.8% |
| Total cost to the company of the Adoption Program | \$312,497 | \$2,999,093 |
| Number of qualifying customers who discontinued CTL or Q broadband service | 4,658 | 6,803 |

Designated Personnel for CenturyLink Adoption Program

As of March 2013, we have over 100 employees who spend a significant portion of their time – or are dedicated to – supporting the Internet Basics program. These include CenturyLink's 51 Market Development Managers located across our 37 states, who have led the Internet training efforts in local communities as well as the local promotion and awareness activities. Their efforts over the past six months have included the following:

- The distribution of several thousand bi-lingual color collaterals to community outreach organizations, as well as through the networks of local partner organizations to reach entities (schools, Section 8 housing complexes, grocery store bulletin boards, football game events, community centers, senior resource centers, community colleges, Boys/Girls clubs, etc.) through which CenturyLink promotes its Lifeline service. The materials promoted CenturyLink's discounted broadband service and discounted netbooks, as well as local training opportunities;
- The completion of 13 trainer-led broadband training sessions, with over 30 additional training sessions scheduled in the next several months; and
- Personal communication with over 87 community-based organizations including churches, schools, Council on Aging, tribal councils, public housing complexes, community colleges, and United Way organizations.

In CenturyLink's call centers, 39 employees review and process applications for the program and handle calls from customers who apply for the program. In addition, over 3,800 employees in the CenturyLink call centers periodically receive refresher training on the program in order to respond to customer questions and send out applications to those customers not able to obtain an application on CenturyLink's website. The center personnel are supported by trainers, process development specialists, IT resources, and supervisory staff.

Additional dedicated individuals are located in the Public Policy, Marketing, Operations, and Retail Operations. Support is also provided by numerous additional employees across the company on an ad hoc basis.

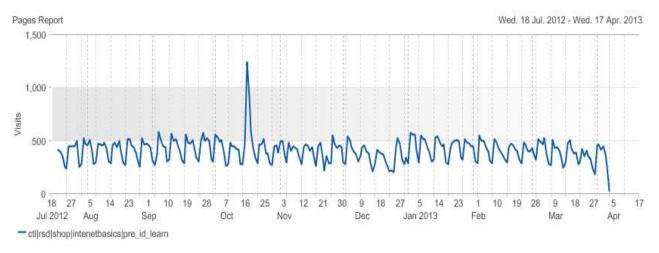
1

Overview of CenturyLink's Outreach Tactics

In implementing its broadband adoption program, CenturyLink has utilized a variety of tactics to reach as many qualifying customers as possible. These tactics have included updates on CenturyLink's website, direct mail campaigns, telemarketing campaigns, newspaper advertisements, flyer distributions, training classes, and initiatives with external partner organizations. Each of these tactics has had a differing degree of success, often varying by state. The company focuses on those tactics that have resulted in the most positive response while providing local teams the flexibility for their specific situation.

Website

In October 2011, CenturyLink created a page on its website dedicated to the CenturyLink Internet Basics offering: (http://www.centurylink.com/internetbasics). CenturyLink further modified its website in February 2012 to make it easier for qualifying customers to find information on the Internet Basics program when navigating from CenturyLink's home page or residential High Speed Internet page. Through the first quarter of 2013, CenturyLink continues to see consistent interest in the website as measured by the number of hits on the webpage.



Graph Generated by SiteCatalyst using Report Accelerator at 9:07 AM CDT, 7 Apr 2013

The applications for CenturyLink Internet Basics were updated in early 2013 to reflect updated Federal Poverty Levels. CenturyLink also modified the applications to address common customer questions and errors, and added a page that allows the customer to keep a record of the actual order detail, to enable better communication between the customer and the company when the application is being processed. The application is now available in both English and Spanish across all 37 states.

Advertisements/Direct Mail Campaigns

CenturyLink continues to promote the Internet Basics program through press releases, flyers distributions, and computer training sessions. The advertisements describe both the Internet Basics program and Lifeline discounts available for voice services. The advertisements will continue throughout the year and cover all 37 states where CenturyLink provides local service.

CenturyLink conducted several direct mail campaigns in 2012 and the beginning of 2013. Exhibit 1 provides an example of a postcard mailed in January 2013 to existing CenturyLink Lifeline customers.

Internal Support

To support increased customer interest, CenturyLink has made two significant process modifications.

First, CenturyLink has established dedicated toll-free numbers for Internet Basics customers. These numbers are listed on the application forms and on promotional materials. Beginning in early 2013, a dedicated group of trained customer service representatives began answering calls placed to these numbers, rather than having these calls directed to the general call center employee group.

Second, customer service employees at a number of CenturyLink's retail stores/kiosks can now assist customers by scanning Internet Basics applications and submitting them for processing. This eliminates the need for customers to mail or fax applications themselves.

In addition, CenturyLink has been capturing success stories from Market Development Managers on the company's employee Intranet site so that other employees can learn from these experiences and employ them in other areas. Exhibit 2 provides an example of one of those stories.

Partner Organizations

CenturyLink has continued to use a variety of approaches with partner organizations. Contacts were made with over 87 individual organizations. CenturyLink provided material regarding the Internet Basics program to each of these organizations, and continued to make regular contacts with them. In some states CenturyLink was able to partner with organizations that have a focused and interested membership that aligns with the program's target population. Our outreach with these organizations included collaborating on training sessions and disseminating information. Moving forward we will continue to develop additional partnerships.

CenturyLink also developed "tool boxes" for use with schools. These efforts were focused on late summer 2012 but continued into the beginning of this reporting period. Additional information regarding the community organizations that CenturyLink has contacted is included in Attachment C.

Training Sessions

CenturyLink conducted an additional 13 training sessions in this reporting period, for a total of 76 of the 100 training sessions targeted for the first two years of the Internet Basics program.

These training sessions were held in 9 states. A variety of approaches were used. In some cases, sessions were led by CenturyLink employees; others were led by partner organizations. As an example, CenturyLink has attached a presentation that was used by CenturyLink's Vice President of Public Policy and Government Relations at a meeting with representatives for several national organizations that represent senior Americans. (*See* Exhibit 3.)

Attendees at the training sessions were asked to complete a brief survey. The survey included questions relating to experience with the Internet, demographics, and the attendee's opinion of the training. Additional detail on the responses is included in Attachment C.

CenturyLink has scheduled additional training sessions for the spring and summer months.

is more affordable than ever. Now High-Speed Internet

Sign up for CenturyLink Internet Basics today.

Qualifying households can get reliable Internet for:

a rrommirment +

Speeds up to 1.5 Maps.

taxes + fees.

Ask how to get a \$150 Netbook."



Monroe, LA 71211 PO Box 4259 CenturyLink

Get High-Speed Internet that's reliable and affordable.

PRESORTED STANDARD U.S. POSTAGE PAID CMS

Having the Internet at home makes all the difference — in work, at school and connecting with others. Now you can bring the benefits of the Internet home to your family for only \$9.95 a month.

CenturyLink® Internet Basics. The technology you want at a price that's right for you.

Qualifying households can get reliable Internet for:



Sign up for Century Link® Internet Basics.

Call 866.948.6128

centurylink.com/internetbasics





EXHIBIT 1



News to Know

Summary

Employee Resources Group PAAN (Pacific Asian American Network) "links" up with non-profit and local technician to provide computer basics to those the non-profit supports.

Contact Info

Employee News

Related Links

Feedback? Email Intranet Support Helping Link PAAN - Employee Resource Group

Internet Basics success due to local ERG and technician

Oct 16, 2012 | 0 comment | 3 likes

Categories: Our Company, Regional,

A Seattle-based Employee Resource Group's longtime relationship with a local nonprofit organization made an **Internet Basics** workshop possible for 25 Vietnamese, mostly seniors.



The session was held September 28 at Helping Link, a non-profit organization in Seattle that supports the Vietnamese in the community. Local Broadband Technician **Thinh Vu** presented the entire workshop in Vietnamese.

"Thinh truly engaged with the senior citizens, had them laughing, and took questions throughout the presentation," said Market Development Manager **Jane Nishita**, who also represented CenturyLink.

The Employee Resource Group PAAN (Pacific Asian American Network) made the connection with Helping Link so that the Internet Basics workshop could take place, which covered content such as "How to use a Computer." CenturyLink's \$9.95 broadband service and the \$8 discounted landline service - only available to those who receive government assistance – were also presented.

Helping Link Executive Director Minh Duc Nguyen introduced CenturyLink's team - Thinh Vu (RMG – Network), **Adam Owen** (RMG - Retail) and Jane Nishita (RMG - MDM) - to the crowd. Adam, South Hill Mall Kiosk Manager, brought Internet Basics applications and signed up prospective customers.

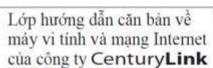
The Helping Link executive director participated in the entire presentation emphasizing Thinh's points and often adding her own personal comments, making it a joint effort between CenturyLink and Helping Link.

Overall results:

- 6-10 sales
- 4 netbooks ordered

- 1 WTAP
- Helping Link asked to talk about scheduling another session

NGUOI Viet newspaper article about the event



SEATLE. Try thông báo duyc ty CenturyLink tổ chức. Try thông báo duyc tru nghiện cho nghy, cháng chiếu thủ báo mại thiếng 9 thì ng hoặng cho có quan trọis thông CenturyLink to the dynama Link thi co bon 20 thing hương. phương là bà Jane Nichisa và các viên thiến thiện thiện thiện thiện thiện thiện thiện thiện thiện là và thuy vi tinh thi naturat 6 có chiết thiệ từ sự than thiến phố diện thiện là chiếu thiện thi





cầu bini về các loại máy vị tính biện có. CentrayLink, mà bà là người đại điện

thấp cho việc sử động mọng minnet do - có giá có thích kợp cho từng là

can bin we can bin may it this hier or CentrayCrack, may be it inguine the their this third way. See the very See the, richin runs of the ring of the

thay class to the or department of the property of the propert

Have a comment about this article? Email Intranet Support and possibly see it posted here.

Comments:

Add Your Comments:

400/400



Please note: You must log into the CenturyLink Intranet to submit comments. After you hit Submit, you'll be taken to the login screen to finalize your submission. The comments by employees are expressions of their personal points of view. All points of view are welcome. Please see the Diversity, Employee Conduct, and Internet, Email and Social Media sections of the Employee Handbook.

Century**Link**

Internet Basics:

A Community-Focused Broadband Adoption Program



John F. Jones VP of Public Policy & Government Relations

October 2012

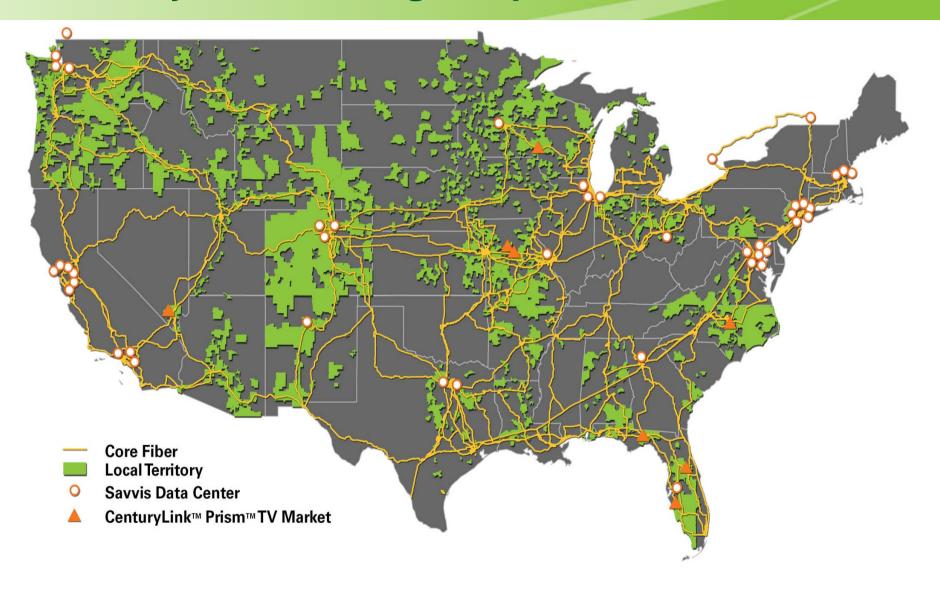


CenturyLink Overview: Who We Are

- We are the third largest communications company in the United States
- CenturyLink provides communications services to more than 14 million homes and businesses in more than 37 states and around the world
- Services include Voice, Broadband, Video Entertainment and Data Services.
- In addition, we provide fiber backhaul, cloud computing and managed cyber-security solutions
- Headquarters in Monroe, Louisiana



CenturyLink Coverage Map



Statistics Worth Noting

- Key barriers today are mostly socio-economic: Personal income levels, Access to PC and Digital literacy issues.
- Availability of high speed internet is no longer a key reason why the digital divide persists

```
95\%: U.S. Households with Broadband availability
```

68%: U.S. Households using Broadband at home

1 in 5: Households with no one using the internet

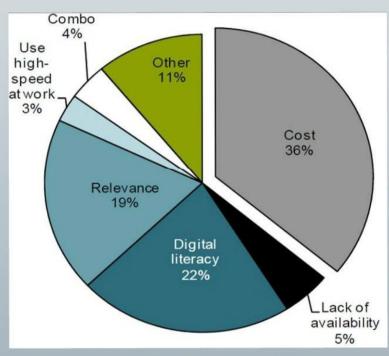
47%: Non subscribers who are not interested in the Internet

24%: Non subscribers who believe the cost of service is too high

15%: Non subscribers who do not have a computer



Reasons for non-adoption



Identified in National Broadband Plan research

- 1. Cost
- 2. Digital literacy
- 3. Relevancy



Demographics of internet users in 2000 and 2011

% of each group of American adults who use the internet. For instance, 76% of women use the internet as of August 2011.

| | % of adults who | % of adults who use the internet | |
|------------------------|-----------------|----------------------------------|--|
| | June 2000 | August 2011 | |
| All adults (age 18+) | 47% | 78% | |
| Men | 50 | 80 | |
| Women | 45 | 76 | |
| Race/ethnicity | | | |
| White, Non-Hispanic | 49 | 80 | |
| Black, Non-Hispanic | 35 | 71 | |
| Hispanic^ | 40 | 68 | |
| Age | | | |
| 18-29 | 61 | 94 | |
| 30-49 | 57 | 87 | |
| 50-64 | 41 | 74 | |
| 65+ | 12 | 41 | |
| Household income | | | |
| Less than \$30,000/yr | 28 | 62 | |
| \$30,000-\$49,999 | 50 | 83 | |
| \$50,000-\$74,999 | 67 | 90 | |
| \$75,000+ | 79 | 97 | |
| Educational attainment | | | |
| No high school diploma | 16 | 43 | |
| High school grad | 33 | 71 | |
| Some College | 62 | 88 | |
| College + | 76 | 94 | |

^ Note: In the 2000 survey, this included only English-speaking Hispanics. In the 2011 survey, this included both English- and Spanish-speaking Hispanics.

All differences are statistically significant except for those between blacks and Hispanics in 2011.

Sources: The Pew Research Center's Internet & American Life Project's May 2000 Tracking Survey conducted May 19-June 21, 2000. N=2,117adults age 18 and older. Interviews were conducted in English. // The Pew Research Center's Internet & American Life Project's August Tracking Survey conducted July 25-August 26, 2011. N=2,260 adults age 18 and older, including 916 interviews conducted by cell phone. Interviews were conducted in both English and Spanish.

More: http://pewinternet.org/Static-Pages/Trend-Data/Whos-Online.aspx



Community Demand & Internet Use

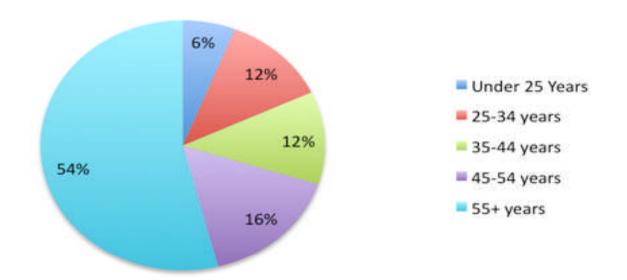
Factors creating a crisis of demand in communities:

- Declining or disrupted personal income,
- Cutbacks at libraries and other community organizations,
- New demands on social services, and
- An increase in the importance of online job sites.



The Importance of "Relevance" and Non-Subscribers

- Among the US nonadopting population, 54% are over the age of 55
- 60% of this demographic cite <u>lack of relevance</u> as their primary reason for non purchasing broadband
- Only 13.9% cite expense as a barrier
- Conclusion: Training and relevance education are more likely to attract seniors than discounts





The Benefits of Internet

Internet can improve the quality of life for older Americans in many ways:

- Online videoconferencing technology can allow seniors to see grandchildren who live on the other side of the country.
- Medical websites can provide easy access to everything from health and wellness tips to information about illness and disease.
- Telemedicine and remote monitoring can enable elderly patients too frail to travel to consult with doctors at distant hospitals.
- Social media tools can combat isolation and even serve as a lifeline to the outside world.
- Because many Americans are working into their retirement years, Internet job listings and online employment applications – as well as Web-based training programs and classes - can help seniors retool for today's economy.
- Internet can help them connect with family and friends, refill a prescription, pay utility bills or access government services.
 Century Link

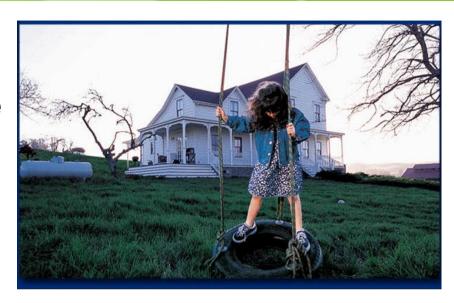
Overview of the CenturyLink Internet Basics Program





CenturyLink Internet Basics Mission

- Reducing cost barriers for broad base of lower income customers
- Addressing the lack of computer equipment among this segment
- Improving education, promotion and training for broadband availability and use in our markets



The CenturyLink adoption program's eligibility is based on the requirements of the existing low-income Lifeline program.



Program at a Glance

Home Internet \$9.95/month

\$9.95 is valid for first year of contract then \$14.95 / year for remaining four years / Free modem for first year.

Optional \$150.00 New Netbook

Plus shipping and handling and taxes 2-year commitment

Free Basic Internet Training in 100+ markets

Training will be available in certain areas in person led by a qualified trainer

 Training materials available for customers <u>centurylink.com/internetbasics</u>



Each component contributes to overcoming specific barriers to Broadband adoption.



A Meaningful Service Discount

- CenturyLink will offer discounted broadband service to qualifying Lifeline customers where our broadband is available in all states.
 - \$9.95 a month during the first 12 months
 - \$14.95 a month for the remainder of the service term
- 5-year Program
- Higher bandwidth services, where available, will be offered at a comparable discount

CenturyLink serves 441,864 existing Lifeline customers today.



*A qualifying customer is defined as a customer who:

- (i) is eligible for Lifeline telephone service in CenturyLink 's ILEC service territory
- (ii) is not a CenturyLink or Qwest broadband subscriber at the time of enrollment
- (iii) is not the subject of CenturyLink or Qwest collections activity.

Discounted Computer Equipment

- CenturyLink offers eligible customers a new (not refurbished)
 computer (netbook) for \$150 per household
- The equipment will be Internet-ready and pre-configured with operating software and manufacturer warranty, when available
- Access to CenturyLink's 24 / 7 toll-free help line is included
- Customers agree to a two-year broadband services contract at the discounted program rate







Promoting the Program

Local promotion, education and training programs to target qualifying customers throughout our local service territory are held in each of our thirty-seven states.



- 112 training locations throughout 37 states in 2 years
- Linked to national Lifeline assistance program
- Coordination with community organizations, libraries, and schools is key
- Program materials
- In-person training demonstrations at local anchor institutions within multiple sites
- Basic computer skills, Internet browsing and acquiring and using broadband services

Program highlights,
effectiveness, key
learning's and findings
will be reported in a
national study.



Local Program...Local Benefits

Internet Basics Computer training workshop

Seattle, WA

 Over 90 senior citizens attended the Internet Basics workshop at the Chinese Information and Service Center (CISC) in Seattle on

March 30.







Foley Alabama Training Session

United Way board members, staff and leadership from partner agencies assisted in this effort.





Scottsdale AZ training session



The bilingual training took place at Coronado High School's Media room.

The training attracted more than 50 parents.





Tucson AZ







Sunnyside School District's Internet Fair



Key Messages

- CenturyLink recognizes that furthering our nation's broadband objectives is vitally important to our customers as well as the education, entertainment, health care and economic development needs of our communities.
- CenturyLink understands that income, computer literacy and access to affordable computers are barriers to broadband adoption – especially for low income customers.
- CenturyLink is pleased to provide a meaningful five-year broadband adoption program that addresses many of these barriers for eligible customers in our markets.
- CenturyLink's goals are to work closely with our communities and public institutions to encourage training, awareness, and access to discounted broadband connectivity and personal computers.



Questions....? <u>centurylink.com/internetbasics</u>

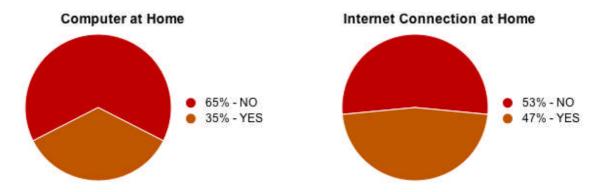
Thank You!



CenturyLink Internet Basics

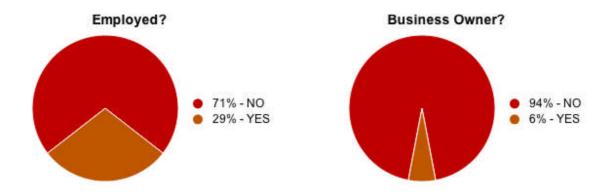
Results Summary Report October 1, 2011 – March 31, 2013

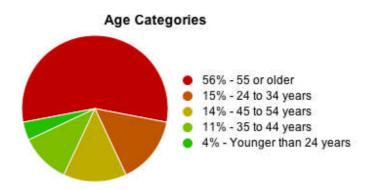
Customer Background

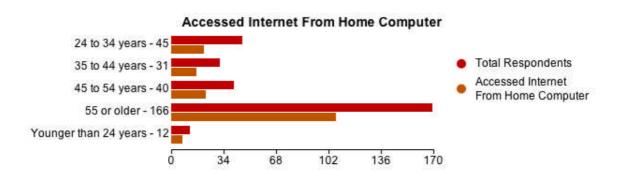


| Used to Access the Internet | Total |
|---|-------|
| My Home Computer | 174 |
| School Computer | 44 |
| Work Computer | 53 |
| Library or Other Public Location | 102 |
| Mobile Phone | 43 |
| Other Location | 25 |
| I have NEVER Accessed the Internet Before | 37 |
| Friend or Family Member's House | 63 |

ATTACHMENT C







Customer Evaluations



| Reason for Attending | |
|---|-----|
| To learn more about CenturyLink's services | 130 |
| To understand how the Internet can be useful to my life | 140 |
| To learn how to use the Internet to search for employment | 49 |
| Other Reason | 47 |
| To improve my comfort level with using a computer | 159 |
| To learn how to access the Internet | 90 |
| To learn how to do basic searches on the web | 109 |

| Outcomes as a Result of the Training | Total |
|---|-------|
| Other outcome | 24 |
| I am more motivated to access the Internet | 143 |
| I am more comfortable with using a computer | 139 |
| I am more familiar with opportunities that can be accessed on-line | 118 |
| I better understand affordable options available through CenturyLink to obtain a computer | 115 |
| I am more knowledgeable of local programs and resources that can help me use the internet after I go home | 91 |

Partner Organizations Promotions

